

COACHELLA VALLEY MOUNTAINS CONSERVANCY
Regular Meeting – January 10, 2011, 3:00 PM
73-710 Fred Waring Drive, Conference Room 115
Palm Desert, CA 92260

Tele-conference location:

State of California
Resources Agency
1416 Ninth St., Room 1305
Sacramento, CA 95814

AGENDA

1.0 Call to Order & Introductions

2.0 Approval of Minutes of November 8, 2010 meeting (See Attachment 1)

3.0 Public Comments on Items Not on the Agenda

At this time any member of the public may address the Governing Board on any item not on the agenda. The Board cannot take action on an item not on the agenda, but it can place it on the agenda for a future meeting. For items on the agenda, there will be an opportunity to speak when that item is heard. The Chair may limit the time for each speaker. Any written material may be submitted to the person taking minutes.

4.0 Action items – public hearing (If there is any member of the public who wishes to address the Governing Board before action is taken, testimony from the public should be taken prior to a vote.)

4.1 Election of Chair and Vice-Chair. (See Attachment 2.)

4.2 Resolution 2011-01 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 640 acres in the Santa Rosa and San Jacinto Mountains National Monument. (See Attachment 3.)

4.3 Resolution 2011-02 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 627.75 acres in the Santa Rosa and San Jacinto Mountains National Monument. (See Attachment 4.)

4.4 Resolution 2011-03 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 165.13 acres in the San Jacinto/San Bernardino Mountains Wildlife Movement Corridor area. (See Attachment 5.)

4.5 Resolution 2011-04 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 259.61 acres in the San Bernardino/Little San Bernardino Mountains Wildlife Movement Corridor area. (See Attachment 6.)

5.0 Reports

5.1 Written reports from staff (See Attachment 7.)

5.2 Board Member comments and reports from Conservancy member agencies. This is an opportunity for any of the Governing Board Members to present a report on matters of interest regarding the agency he or she represents.

6.0 Closed Session – One matter is scheduled

Pursuant to Government Code sections 11126 (a)(1), 11126 (e)(1) and 11126.3(a) the Board may hold a closed session to discuss and take possible action on personnel matters and or receive advice of counsel on pending or potential litigation. In addition, pursuant to Government Code section 11126 (c) 7 (A) the Board may meet in closed session with its negotiator prior to the purchase or sale of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase or sale. Confidential memoranda related to these issues may be considered during such closed session discussions. The matter scheduled for Closed Session is a personnel matter pertaining to the effects of the current vacancy in the Staff Environmental Scientist position and the need to initiate a search for a new Executive Director as a result of the anticipated retirement of the current Executive Director.

7.0 Adjourn to the March 14, 2011 meeting

This agenda is available on our website at <http://www.cvmc.ca.gov>. Anyone with questions about any item on the agenda may contact the Conservancy at 73-710 Fred Waring Drive, Suite 205, Palm Desert, CA 92260. The phone number is (760) 776-5026.

ATTACHMENT 1 – January 10, 2011

**COACHELLA VALLEY MOUNTAINS CONSERVANCY
REGULAR MEETING
73-710 Fred Waring Drive, Suite 115
Palm Desert, California
November 8, 2010 - 3:00 p.m.**

M I N U T E S

MEMBERS PRESENT:

Karl Baker, City of Desert Hot Springs
Buford Crites, State Assembly Appointee
Kathy Dice, California State Parks
John Donnelly, Wildlife Conservation Board
Jim Ferguson, City of Palm Desert–*Chairman*
Kristy Franklin, City of La Quinta
Patrick Kemp, Natural Resources Agency
Paul Marchand, City of Cathedral City
Karin Messaros, National Park Service
Chris Mills, City of Palm Springs
Gordon Moller, City of Rancho Mirage
Holly Roberts, Bureau of Land Management
Jennifer Rockwell, California Department of Finance
Larry Spicer, City of Indian Wells
Joan Taylor, Governor's Appointee
Ellen Lloyd Trover, Senate Rules Committee Appointee–Vice-Chairwoman

MEMBERS ABSENT:

John Benoit, Riverside County Supervisor, District IV
Jim Foote, U.S. Forest Service (non-voting)
Eddy Konno, California Department of Fish and Game
Richard Milanovich, Agua Caliente Band of Cahuilla Indians
Al Muth, University of California

STAFF PRESENT:

Bill Havert, Executive Director
Kerrie Godfrey, Staff Services Analyst

OTHERS PRESENT:

None

VACANT POSITIONS:

Vacant, Staff Environmental Scientist

1.0 Call to Order & Introductions

Chairman Ferguson declared a quorum with 13 members present at 3:05 pm. Karl Baker and Gordon Moller arrived at 3:10 and were not present to vote on the Minutes. Kathy Dice arrived at 3:20 and was not present to vote on the Minutes or Resolution 2010-03.

2.0 Approval of Minutes of July 12, 2010 meeting

Chairman Ferguson asked if there were any additions or changes to the July 12, 2010 Minutes. There were none. A motion was made and seconded (Marchand/Crites) to approve the Minutes as distributed. The motion was adopted by 11 members saying "Aye" in a unanimous vote with Joan Taylor and Holly Roberts abstaining from the vote.

4.0 Public Comments on Items Not on the Agenda

Chairman Ferguson asked if there were any comments on any items not on the agenda. There were none.

4.0 Closed Session – No matter is scheduled

Chairman Ferguson asked if there were any closed session items. There were none.

5.0 Information items

Ethics Training Reminder for State Employees, including CVMC Board Members.

Bill Havert explained that Board Members are due to complete the required bi-annual FPPC Ethics Training. He noted that there are three alternatives available.

- 1) Online, interactive program, available at <http://caag.state.ca.us/ethics/index.htm>.
- 2) Non-interactive program that can be downloaded to a CD or your computer hard drive.
- 3) Check out the paper copy of the ethics training course from the Conservancy office.

Once the Ethics Training has been completed, a certificate must be signed to that effect. A copy of the certificate has been provided to each Board Member and after completion should be forwarded back to the Conservancy office by Friday, December 31, 2010.

6.0 Action Items - public hearing

6.1 Resolution 2010-03 approving local assistance grant to the Friends of the Desert Mountains for acquisition of land on the alluvial fan of the Santa Rosa Mountains.

Joan Taylor noted that she may have a conflict of interest and requested to leave the meeting while the Board discussed this item. Bill noted that it was up to her if she wanted to leave but, if she does not have a financial conflict then she is welcome to stay. Paul Marchand noted that it would be common law conflict. Joan left the meeting during the discussion.

Bill Havert explained that Sections 7 and 8, Township 8 South, Range 8 East, located south of Martinez Canyon and west of the community of Oasis on the lower slope and alluvial fan of the Santa Rosa Mountains are acquisitions in progress. The Friends, which entered into the original Purchase and Sale Agreement with the land owner, assigned the right to purchase the north half of Section 7 and all of Section 8 to WCB as provided for in the Agreement. The Friends also intends to assign the right to purchase the south half of Section 7 to the Bureau of Land Management (BLM) because that portion of the property is in the Santa Rosa and San Jacinto Mountains National Monument.

Previously, the Governing Board approved \$542,619 as matching funds for a federal Cooperative Endangered Species Conservation Fund grant to the Department of Fish and Game (DFG) towards the acquisition of the north half of Section 7 and all of Section 8. Use of that federal grant money for purchase of the property with the Conservancy funds as the required 30% match is on the Wildlife Conservation Board's (WCB) November agenda (WCB acquires land on behalf of DFG). DFG will take title and

manage the property. BLM, however, is experiencing delays because the Federal Budget has not passed yet and may not be able to take the necessary steps to complete its part of the transaction before the end of the year, a condition of the Purchase and Sale Agreement. As a result, the Friends has requested a grant from the Conservancy to enable the Friends to purchase the south half of Section 7 in case BLM cannot complete the transaction on time. Please note that a condition of the Purchase and Sale Agreement is that the land owner will only sell the entire two sections if both transactions (the 1.5 sections and the 0.5 sections) close escrow simultaneously before the end of 2010. Thus, not completing the purchase of the south half of Section 7 would negate WCB's ability to acquire the north half of Section 7 and all of Section 8.

The purchase price for the south half of Section 7 is \$225,000. This is much less per acre than the purchase price of the property being purchased by WCB because the south half of Section 7 is mountainous while the land being purchased by WCB is flat, adjacent to existing agriculture, and accessible by road. The appraisal for the south half of Section 7 has been approved by the federal Office of Evaluation Services (the federal equivalent of the Department of General Services). The estimated closing costs for the south half of Section 7 are a not to exceed amount of \$2,500; thus, the total grant amount requested by the Friends is a not to exceed amount of \$227,500. This grant is a contingency grant and the Conservancy will only disburse the funds if it becomes clear that BLM cannot complete the transaction in time. If Friends does purchase the property with these grant funds, it is likely that they will be able to complete a sale to BLM sometime thereafter and return the funds to the Conservancy. The funds would then be abated and available for future use by the Conservancy. It cannot be guaranteed that BLM will acquire the land, but there is a reasonable likelihood of it.

Karl Baker asked if the grant has already been approved. Bill responded that CVMC has a standard grant agreement and this is what will be used and whether CVMC will actually disburse the funds will be contingent on whether BLM can get their funding disbursed. Karl noted that the Friends will be requesting the funds. Bill concurred that the Board is approving the grant to the Friends.

Chairman Ferguson asked for any additional discussion on the item and there was none. He asked for a motion to approve Resolution 2010-03. A motion was made and seconded (Marchand/Baker) to adopt the resolution. The motion passed by the unanimous vote of 14 members and with Joan Taylor abstaining from the vote.

6.2 Adoption of 2011 meeting schedule.

Bill Havert explained that traditionally the Conservancy Governing Board approves the meetings for the calendar year and assuming we continue to follow the traditional schedule, the proposed schedule of meetings for 2011 is January 10, March 14, May 9, July 11, September 12, and November 14.

Chairman Ferguson asked if there were any additional discussion. Since there was none, he called for a motion to approve the meeting schedule for 2011. A motion was made and seconded (Marchand/Taylor) to adopt the meeting schedule. The motion was adopted by 16 members saying "Aye" in a unanimous vote.

7.0 **Reports**

7.1 Written Reports. Chairman Ferguson asked if there were any additional discussion. Since there was no additional discussion, he called for an omnibus motion to receive and file written report item 7.1. A motion was made and seconded (Marchand/Franklin) to

receive and file written report 7.1. The motion was adopted by 16 members saying “Aye” in a unanimous vote.

7.2 Board Member Comments. Paul Marchand noted that he will no longer be serving on the Board as of December and noted that it has been a pleasure and a privilege working with the Board.

8.0 Adjourn to the January 10, 2011 meeting.

A motion was made and seconded (Marchand/Taylor) to adjourn the meeting. The meeting was adjourned without objection at 3:30 p.m.

ATTACHMENT 2 – January 10, 2011

Agenda Item 4.1 Election of Chair and Vice-Chair

BACKGROUND

The term of the Chair and Vice-Chair positions is one year, pursuant to Public Resources Code Section 33506. The last election was held in January 2010. The position of Chair is now vacant as the result of the previous Chair's no longer serving on the Palm Desert City Council. The current Vice-Chair is Ellen Lloyd Trover. The Board Members eligible to serve as Chair and Vice-Chair are the city and county representatives, the Chairperson of the Tribal Council of the Agua Caliente Band of Cahuilla Indians, and the appointees of the Governor, the Senate Committee on Rules, and the Speaker of the Assembly. The representatives of the various state and federal agencies are not eligible.

ATTACHMENT 3 – January 10, 2011

Agenda Item 4.2 Resolution 2011-01 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of land in the Santa Rosa and San Jacinto Mountains National Monument.

BACKGROUND

Section 15, Township 6 South, Range 4 East became available for purchase in the fall. This section is known as Pine Mountain and is located along the Desert Divide (ridgeline) in the San Jacinto Mountains portion of the Santa Rosa and San Jacinto Mountains National Monument. (See attached maps: context and close-up.) The Pacific Crest Trail passes just west of this property, and Pine Mountain, at 7,054' is the highest peak in this area of the Monument. Several years ago, the current owner, Gulf Broadcast Company, proposed siting a large communications tower on the peak. It was a controversial project and, ultimately, Gulf Broadcast chose not to pursue the project at that time. A few months ago, Gulf Broadcast indicated to the U.S. Forest Service (USFS) an interest in selling the property. USFS had no funding available and forwarded the information to the Friends. The Friends subsequently appraised the property and entered into a contingent purchase agreement with Gulf Broadcast. The Friends then requested a grant from the Conservancy to fund the acquisition, and submitted the appraisal to the Conservancy for review.

Conservancy staff contacted the Department of General Services (DGS) to determine how long it would take to obtain review of the appraisal. DGS indicated that it had a backlog of appraisals to review and it would be at least two months before it could initiate a review. Because that time frame would have made it impossible to have consideration of a grant by the Governing Board on the January agenda, and because the Purchase Agreement requires close of escrow by the end of February, Conservancy staff send out a Request for Proposals for review of the appraisal to six MAI appraisers who have not previously done appraisal work for either the Conservancy or the Friends. Based on the bids received, the Conservancy selected a reviewer and obtained independent review of the appraisal using the same review standards that DGS uses. This conforms to the policy promulgated by the Secretary of Natural Resources that requires "written concurrence from an independent third party appraisal review...attesting to the appraisals compliance with applicable DGS standards and requirements." While the policy expresses a preference for DGS review, it does not require it, clearly recognizing that it may not always be feasible to obtain timely DGS review.

The reviewer found that the appraisal complies with DGS standards and is compliant with the Uniform Standards of Professional Appraisal Practice (USPAP). He did, however, find that there was a math error in the appraisal that resulted in a \$7,000 downward adjustment in the purchase price, to which the Seller agreed and which resulted in a revision to the Purchase Agreement. The purchase price for the 640 acres is \$537,000. Transaction costs are estimated not to exceed an additional \$3,000. The Friends has, therefore, requested a grant for a not to exceed amount of \$540,000.

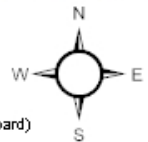
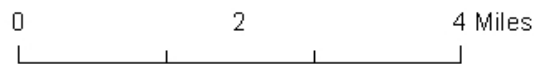
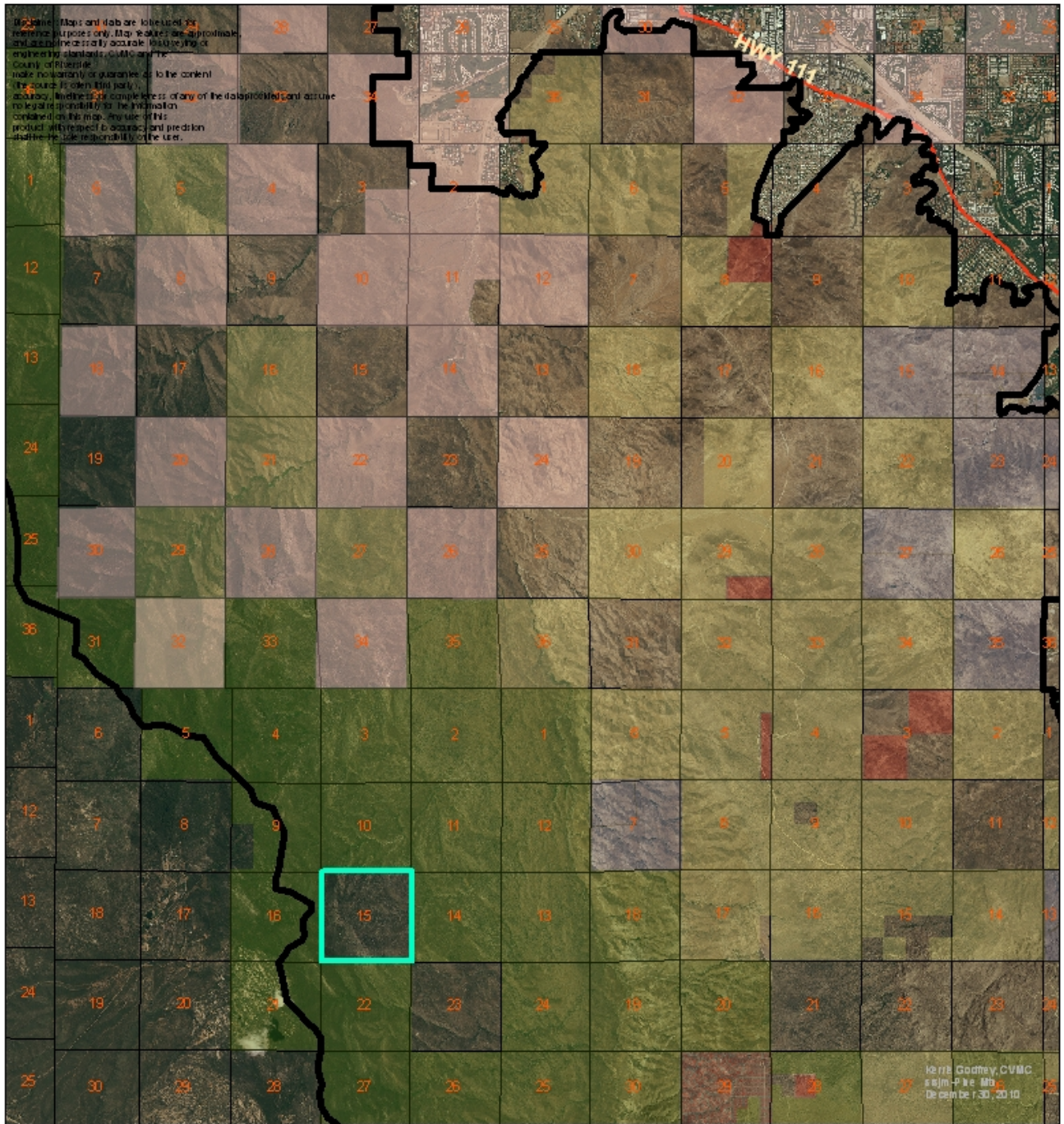
The property has outstanding scenic values, as it's visible from the valley floor and, more proximately, from the adjacent Pacific Crest Trail. Development of a communications tower on

the property would significantly impact the National Monument's resource values, so this acquisition is an important opportunity to maintain the integrity of the Monument.

STAFF RECOMMENDATION

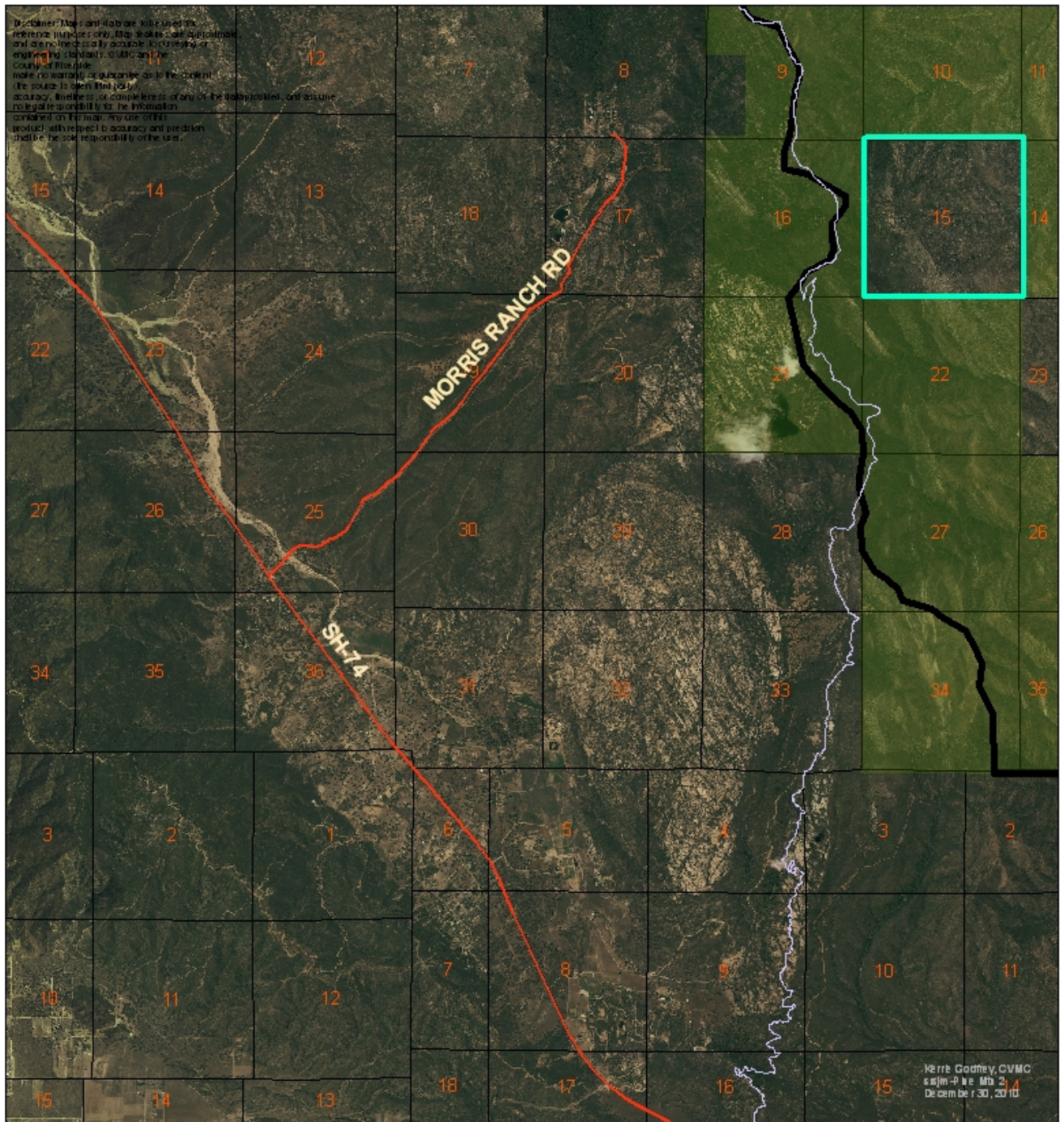
Staff recommends approval of the attached Resolution 2011-01.

CVMC January Agenda Item 4.2 Pine Mountain Context Map 1

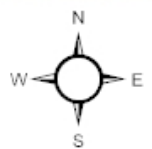


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|---|--|
| Santa Rosa and San Jacinto National Monument Boundary | California Department of Fish and Game (Wildlife Conservation Board) |
| Willing Seller-Pine Mtn Parcel | Friends of the Desert Mountains |
| Agua Caliente Tribal Lands | United States Forest Service |
| Bureau of Land Management | |

CVMC January Agenda Item 4.2 Pine Mountain Map 2



0 1.5 3 Miles



- Willing Seller - Pine Mtn Parcel
- Santa Rosa and San Jacinto National Monument Boundary
- Pacific Crest National Scenic Trail
- United States Forest Service

**RESOLUTION 2011-01 OF THE GOVERNING BOARD OF THE
COACHELLA VALLEY MOUNTAINS CONSERVANCY
ADOPTED IN REGULAR SESSION
JANUARY 10, 2011**

**APPROVING A LOCAL ASSISTANCE GRANT TO THE FRIENDS OF THE DESERT
MOUNTAINS FOR THE PURCHASE OF LAND IN THE SANTA ROSA AND SAN
JACINTO MOUNTAINS NATIONAL MONUMENT**

WHEREAS, Public Resources Code Section 33501 created the Coachella Valley Mountains Conservancy for the purpose, among other things, of acquiring and holding, in perpetual open space, mountainous lands surrounding the Coachella Valley and natural community conservation lands, upon approval of a Natural Community Conservation Plan, for the protection of natural and cultural resources and the public's enjoyment thereof; and

WHEREAS, Public Resources Code Section 33601(e) provides that the Conservancy may "in order to further the conservancy's purposes as set forth in Section 33501, award grants to cities, counties, resource conservation districts, or nonprofit organizations...."; and

WHEREAS, the Friends of the Desert Mountains ("Friends") is a nonprofit organization qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, and has as its purpose the acquisition and protection of land in the Coachella Valley area; and

WHEREAS, Assessor's Parcel Number 568-110-025, comprising approximately 640.00 acres in unincorporated Riverside County in the Santa Rosa and San Jacinto Mountains National Monument, contains important resource values including Pine Mountain, which is visible from the Coachella Valley, and which, more proximately, forms the scenic backdrop for the Pacific Crest Trail along the Desert Divide; and

WHEREAS, it is in furtherance of the Conservancy's purposes as established in Public Resources Code Section 33501 to protect this area; and

WHEREAS, the Friends requests a local assistance grant not to exceed \$540,000 to purchase this property, including the purchase price and transaction-related costs; and

WHEREAS, this acquisition is exempt from further CEQA review pursuant to sections 15061 (b) (3), 15313, 15316, and 15325 of the Code of Regulations, Title 14;

NOW, THEREFORE, be it resolved in regular session of the Governing Board of the Coachella Valley Mountains Conservancy that the Board approves a local assistance grant not to exceed \$540,000 to the Friends to assist with the acquisition; and

BE IT FURTHER resolved, that a condition of the grant is that the Friends shall enter into an Acquisition Grant Agreement with the Conservancy, which shall contain provisions requiring the following:

1. That the Friends will agree to defend, indemnify, and hold harmless the Conservancy and the State of California, its contractors, officers, directors, agents or employees against any and all claims, liability, demands, damages, debts, judgments, costs, or expenses, including reasonable attorney's fees, arising out of or in any way connected to the Grantee's actions, omissions, or other conduct relating in any way to this agreement and the Real Property, including, but not limited to, any such losses, damages, or expenses arising out of (a) loss of or damage to the Real Property, and (b) injury to or death of persons;
2. That the Friends shall execute and record a Notice of Unrecorded Grant Agreement and execute a Memorandum of Understanding with the Conservancy designed to assure that the properties acquired with the grant sum shall be protected, maintained, and managed consistent with the Conservancy's mission as defined in Public Resources Code Section 33501;
3. That the Friends must return all funds not used for the acquisition purpose described above no later than March 31, 2011, unless both parties mutually agree in writing to an extension;
4. That the Friends shall not convey title or any other interest in the properties acquired with the grant sum to any other person or entity without the express written approval of the Conservancy;
5. That upon the sale or conveyance of any interest in the property acquired with the grant sum, the Friends shall reimburse the Conservancy for the full amount of the grant sum unless the funds received from the sale or conveyance are less than the amount of the grant sum, whereupon the Friends shall provide the Conservancy with all funds obtained from the sale or conveyance less costs incurred by the Friends arising from the sale or conveyance;
6. That if the Friends ceases to exist as an organization or if the Friends materially breaches the grant agreement, title to the properties acquired with the grant sum shall automatically be conveyed to the State of California upon approval by the State Public Works Board;
7. That the Friends shall maintain accounting records of how the grant sum was spent for a period of three years and shall make such records available for inspection by the Conservancy or the Department of Finance upon request by either agency;
8. That the Conservancy shall review and approve all documents pertaining to the acquisition of the properties described above, including but not limited to title reports obtained by Friends prior to acquisition of said properties; and

9. That any unused grant funds must be returned to the Coachella Valley Mountains Conservancy, along with any accrued interest, not later than one month after the project completion date. Should interest be earned on the grant funds between their disbursement and expenditure for the purchase of the property, the interest may be applied toward the purchase price. Otherwise, any such interest must be paid to the Coachella Valley Mountains Conservancy. No revenue will be generated by Grantee from the property acquired with the grant funds.

BE IT FURTHER resolved that the Board hereby authorizes its Chairperson, or in his absence the Executive Director, to execute any and all documents necessary to effect the grant.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Coachella Valley Mountains Conservancy Governing Board, held on this 10th day of January 2011, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

, Chairman
Coachella Valley Mountains Conservancy

ATTACHMENT 4 – January 10, 2011

Agenda Item 4.3 Resolution 2011-02 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of land in the Santa Rosa and San Jacinto Mountains National Monument.

BACKGROUND

Section 7, Township 7 South, Range 5 East became available for purchase in the fall. This section is located immediately north of Highway 74 in the Springcrest area in the Santa Rosa and San Jacinto Mountains National Monument. (See attached maps: context and close-up.) The Palm Canyon Trail, which runs the length of Palm Canyon from the Indian Canyons Heritage Park traverses this property and the trail ends at a paved road that connects Section 7 on its southern boundary to Highway 74. A few months ago the current owners, Pinyon View Limited Partnership, applied for a right of way to the U.S. Forest Service (USFS) across adjacent USFS land to provide legal access to this property; the owners also indicated an interest in selling the property. USFS had no funding available, and forwarded the information to the Friends. The Friends subsequently appraised the property and entered into a contingent purchase agreement with the owners. The Friends then requested a grant from the Conservancy to fund the acquisition, and submitted the appraisal to the Conservancy for review.

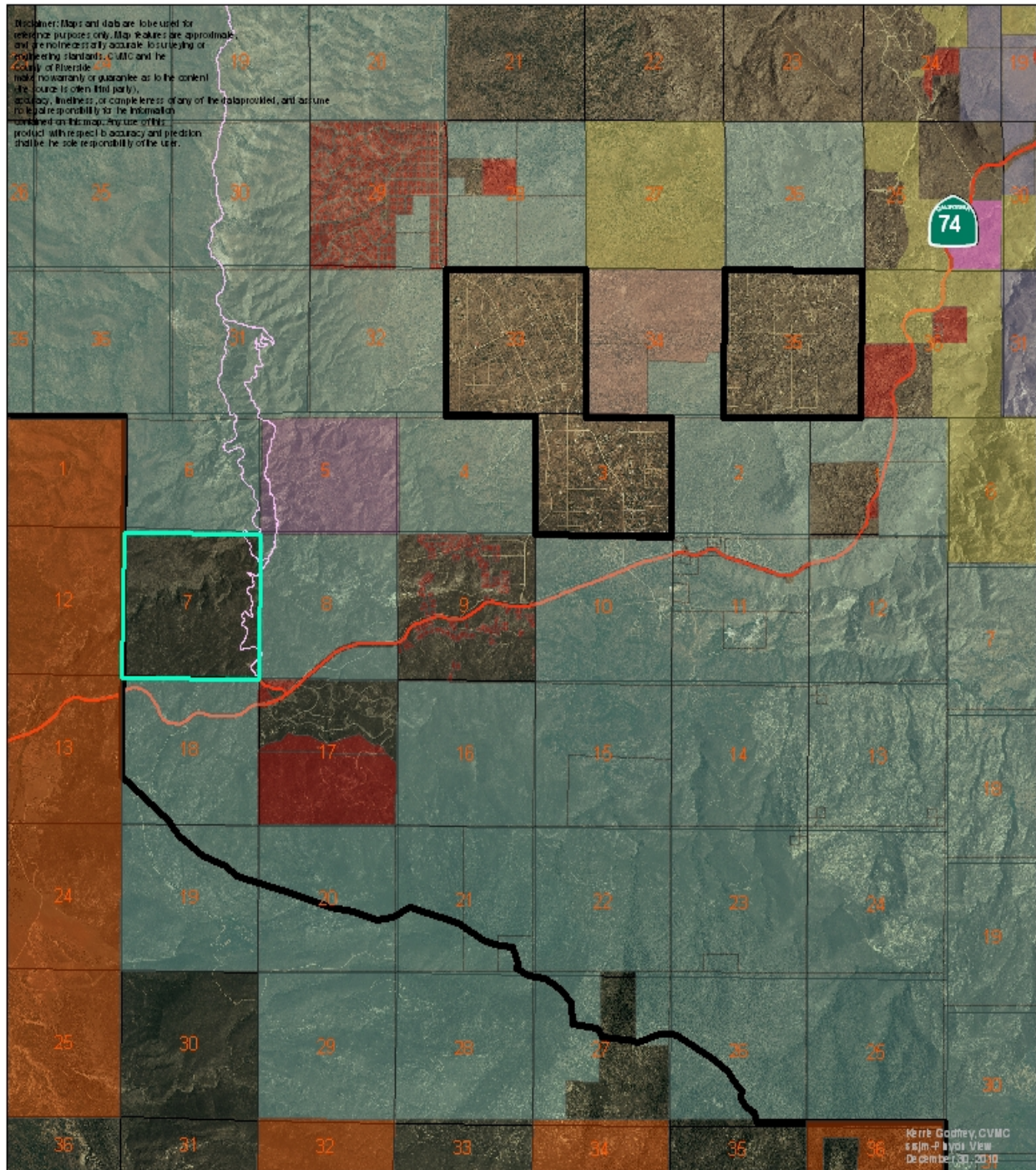
As with the previous agenda item, Conservancy staff determined that DGS could not complete a review of the appraisal in a time frame that would have made it possible to have consideration of a grant by the Governing Board on the January agenda, and because the Purchase Agreement requires close of escrow by the end of February, Conservancy obtained independent review of the appraisal using the same review standards that DGS uses. The reviewer found that the appraisal complies with DGS standards and is compliant with USPAP. The purchase price for the approximately 627.75 acres is \$630,000. Transaction costs are estimated not to exceed an additional \$2,500. The Friends also requests reimbursement for the cost of the appraisal, \$3,750. Accordingly, the Friends has requested a grant for a not to exceed amount of \$636,250.

The property offers outstanding scenic values from Highway 74 and outstanding recreation values, given that the Palm Canyon Trail traverses it, and ownership of the property would be crucial to establishing a trailhead facility for the southern terminus of the trail. The property is also habitat for the gray vireo, one of the 27 species covered by the Coachella Valley Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan (MSHCP). The property, along with the Pine Mountain property, is one of the few remaining private inholdings that needs to be acquired to consolidate conservation ownership in the national forest portion of the Monument.

STAFF RECOMMENDATION

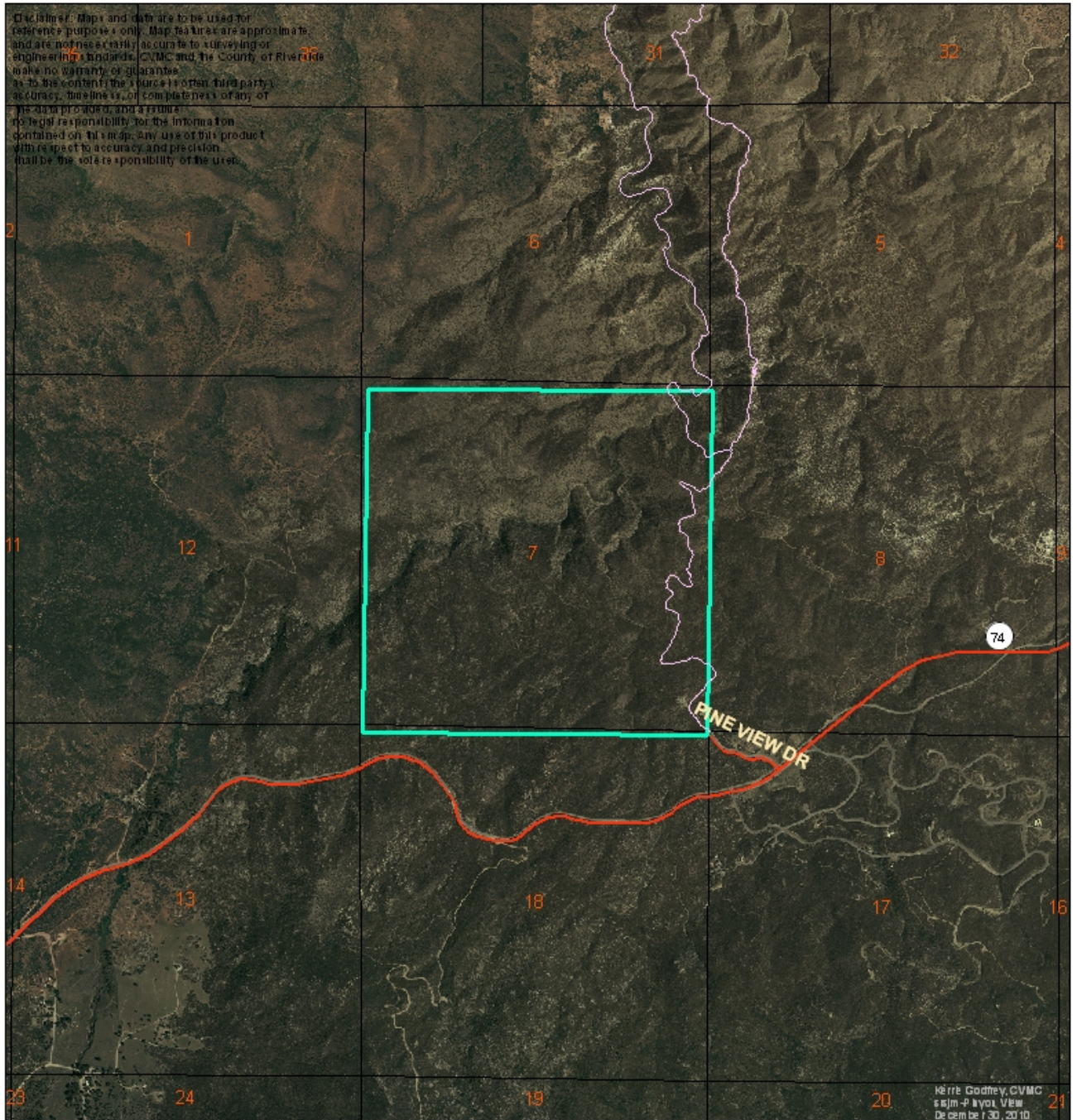
Staff recommends approval of the attached Resolution 2011-02.

CVMC January Agenda Item 4.3 Pinyon View Map 1



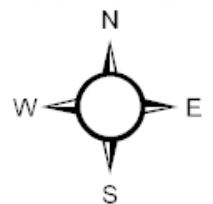
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|---|--|---|
| Willing Seib-Pinyon View | Bureau of Land Management | United States Forest Service |
| Palm Canyon Trail | American Land Conservancy | University of California Natural Reserve System |
| Santa Rosa Tribal Lands | California Department of Fish and Game (Wildlife Conservation Board) | College of the Desert |
| Santa Rosa and San Jacinto National Monument Boundary | Friends of the Desert Mountains | |

CVMC January Agenda Item 4.3 Pinyon View Map 2



0 0.5 1 Miles

— Palm Canyon Trail
 [Cyan Rectangle] Willing Seller- Pinyon View



**RESOLUTION 2011-02 OF THE GOVERNING BOARD OF THE
COACHELLA VALLEY MOUNTAINS CONSERVANCY
ADOPTED IN REGULAR SESSION
JANUARY 10, 2011**

**APPROVING A LOCAL ASSISTANCE GRANT TO THE FRIENDS OF THE DESERT
MOUNTAINS FOR THE PURCHASE OF LAND IN THE SANTA ROSA AND SAN
JACINTO MOUNTAINS NATIONAL MONUMENT**

WHEREAS, Public Resources Code Section 33501 created the Coachella Valley Mountains Conservancy for the purpose, among other things, of acquiring and holding, in perpetual open space, mountainous lands surrounding the Coachella Valley and natural community conservation lands, upon approval of a Natural Community Conservation Plan, for the protection of natural and cultural resources and the public's enjoyment thereof; and

WHEREAS, Public Resources Code Section 33601(e) provides that the Conservancy may "in order to further the conservancy's purposes as set forth in Section 33501, award grants to cities, counties, resource conservation districts, or nonprofit organizations...."; and

WHEREAS, the Friends of the Desert Mountains ("Friends") is a nonprofit organization qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, and has as its purpose the acquisition and protection of land in the Coachella Valley area; and

WHEREAS, Assessor's Parcel Number 636-010-002, comprising approximately 627.75 acres in unincorporated Riverside County in the Santa Rosa and San Jacinto Mountains National Monument, contains important resource values including the viewshed from State Scenic Highway 74 and a portion of the alignment of the Palm Canyon Trail, as well as habitat for the gray vireo; and

WHEREAS, it is in furtherance of the Conservancy's purposes as established in Public Resources Code Section 33501 to protect this area; and

WHEREAS, the Friends requests a local assistance grant not to exceed \$636,250 to purchase this property, including the purchase price and transaction-related costs; and

WHEREAS, this acquisition is exempt from further CEQA review pursuant to sections 15061 (b) (3), 15313, 15316, and 15325 of the Code of Regulations, Title 14;

NOW, THEREFORE, be it resolved in regular session of the Governing Board of the Coachella Valley Mountains Conservancy that the Board approves a local assistance grant not to exceed \$636,250 to the Friends to assist with the acquisition; and

BE IT FURTHER resolved, that a condition of the grant is that the Friends shall enter into an Acquisition Grant Agreement with the Conservancy, which shall contain provisions requiring the following:

1. That the Friends will agree to defend, indemnify, and hold harmless the Conservancy and the State of California, its contractors, officers, directors, agents or employees against any and all claims, liability, demands, damages, debts, judgments, costs, or expenses, including reasonable attorney's fees, arising out of or in any way connected to the Grantee's actions, omissions, or other conduct relating in any way to this agreement and the Real Property, including, but not limited to, any such losses, damages, or expenses arising out of (a) loss of or damage to the Real Property, and (b) injury to or death of persons;
2. That the Friends shall execute and record a Notice of Unrecorded Grant Agreement and execute a Memorandum of Understanding with the Conservancy designed to assure that the properties acquired with the grant sum shall be protected, maintained, and managed consistent with the Conservancy's mission as defined in Public Resources Code Section 33501;
3. That the Friends must return all funds not used for the acquisition purpose described above no later than March 31, 2011, unless both parties mutually agree in writing to an extension;
4. That the Friends shall not convey title or any other interest in the properties acquired with the grant sum to any other person or entity without the express written approval of the Conservancy;
5. That upon the sale or conveyance of any interest in the property acquired with the grant sum, the Friends shall reimburse the Conservancy for the full amount of the grant sum unless the funds received from the sale or conveyance are less than the amount of the grant sum, whereupon the Friends shall provide the Conservancy with all funds obtained from the sale or conveyance less costs incurred by the Friends arising from the sale or conveyance;
6. That if the Friends ceases to exist as an organization or if the Friends materially breaches the grant agreement, title to the properties acquired with the grant sum shall automatically be conveyed to the State of California upon approval by the State Public Works Board;
7. That the Friends shall maintain accounting records of how the grant sum was spent for a period of three years and shall make such records available for inspection by the Conservancy or the Department of Finance upon request by either agency;

8. That the Conservancy shall review and approve all documents pertaining to the acquisition of the properties described above, including but not limited to title reports obtained by Friends prior to acquisition of said properties; and
9. That any unused grant funds must be returned to the Coachella Valley Mountains Conservancy, along with any accrued interest, not later than one month after the project completion date. Should interest be earned on the grant funds between their disbursement and expenditure for the purchase of the property, the interest may be applied toward the purchase price. Otherwise, any such interest must be paid to the Coachella Valley Mountains Conservancy. No revenue will be generated by Grantee from the property acquired with the grant funds.

BE IT FURTHER resolved that the Board hereby authorizes its Chairperson, or in his absence the Executive Director, to execute any and all documents necessary to effect the grant.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Coachella Valley Mountains Conservancy Governing Board, held on this 10th day of January 2011, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

, Chairman
Coachella Valley Mountains Conservancy

ATTACHMENT 5 – January 10, 2011

Agenda Item 4.4 Resolution 2011-03 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 165.13 acres in the San Jacinto/San Bernardino Mountains Wildlife Movement Corridor area.

BACKGROUND

The wildlife movement corridor linking the San Jacinto Mountains and the San Bernardino Mountains has been identified as one of the 15 most critical corridors in southern California. Protection of this corridor is also a Conservation Objective of the Coachella Valley Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan. In the past, the Conservancy has funded the acquisition of more than 900 acres in this area to conserve the movement corridor. Additional lands in the corridor have been acquired by the Bureau of Land Management, The Wildlands Conservancy, and Friends of the Desert Mountains with funds from the Resources Legacy Fund Foundation and mitigation projects. Completing conservation of the land in the corridor is one of the highest priorities for the Conservancy. When the freeze on bond fund projects was lifted in 2010 and the State Treasurer's Office approved various projects proposed for the use of bond funds by the Conservancy, the Friends of the Desert Mountains renewed its efforts to acquire land in the corridor with Conservancy grant funds. To that end, the Friends prepared a new appraisal for land in the corridor area and subsequently submitted it to the Conservancy for review. As with the previous agenda items, Conservancy staff determined that DGS could not complete a review of the appraisal in a time frame that would have made it possible to have consideration of a grant by the Governing Board on the January agenda; the Conservancy, therefore, obtained independent review of the appraisal using the same review standards that DGS uses. The reviewer found that the appraisal complies with DGS standards and is compliant with USPAP. The appraisal included 78 parcels in the wildlife movement corridor area, which includes portions of the Stubbe/Cottonwood Canyons, Snow Creek/Windy Point, Highway 111-I-10, and Whitewater Floodplain Conservation Areas, as designated in the Coachella Valley Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan.

The Friends has contacted most of the owners in the Stubbe Canyon area to determine who are willing sellers. The contact to date has resulted in one signed Purchase Agreement for 5 acres and three verbal acceptances, one for approximately 152.63 acres, one for 5 acres, and one for 2.5 acres. (See attached maps: context and close-up.) All of these parcels are included in this staff report and resolution based on statements from the Sellers that signed Purchase Agreements will be received by the meeting on January 10. If one or the other is not received by the meeting, it can be removed from the resolution at the meeting. The Friends plans to continue to send out groups of offer letters to determine if there are additional willing sellers among the list of appraised properties; and if so, these can be brought to the Governing Board for consideration in March. The total purchase price for the three parcels is projected not to exceed \$640,000. Transaction costs are estimated not to exceed an additional \$7,250. The Friends also requests reimbursement for the cost of the appraisal, \$12,750. Accordingly, the Friends has requested a grant for a not to exceed amount of \$660,000. The purchase price is not known exactly because the largest parcel currently consists of 162.63 acres; however, there are two structures near the northern edge of the parcel, and the Friends do not wish to acquire these structures. The terms of the purchase include a requirement that the Seller complete a lot line adjustment to transfer

approximately 10 acres, including the two structures, from this parcel to the adjacent parcel, which is also owned by the Seller. Until the lot line adjustment is completed, the exact acreage to be acquired is not determined. The appraisal valued the land as though vacant so that a per acre price could be applied to the final acreage to determine the actual purchase price. For purposes of the grant, I have estimated the purchase price to be on the high side to ensure that adequate funds will be available. Once the final purchase price is determined based on the acreage being acquired multiplied by the per acre value, only the actual purchase price amount will be included in the grant funds disbursed.

The parcels proposed for acquisition are crucial to protect the long-term functionality of the wildlife movement corridor. The parcels also provide habitat for desert tortoise and Le Conte's thrasher, two of the 27 species covered by the MSHCP. The parcels are also part of the sand transport system that provides sediment to the San Geronio River and thus to the Whitewater River to provide sand for the blowsand ecosystem in the Whitewater River Floodplain Conservation Area.

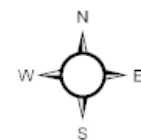
STAFF RECOMMENDATION

Staff recommends approval of the attached Resolution 2011-03.

CVMC January Agenda Item 4.4
Stubbe Map 1



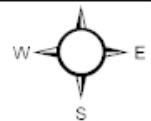
- Willing Sellers-Stubbe
- CVMC Boundary



CVMC January Agenda Item 4.4 Stubbe Map 2



- Willing Sellers-Stubbe
- Bureau of Land Management
- Friends of the Desert Mountains
- Morongo Indian Reservation



**RESOLUTION 2011-03 OF THE GOVERNING BOARD OF THE
COACHELLA VALLEY MOUNTAINS CONSERVANCY
ADOPTED IN REGULAR SESSION
JANUARY 10, 2011**

**APPROVING A LOCAL ASSISTANCE GRANT TO THE FRIENDS OF THE DESERT
MOUNTAINS FOR THE PURCHASE OF LAND IN THE SAN JACINTO/SAN
BERNARDINO MOUNTAINS WILDLIFE MOVEMENT CORRIDOR**

WHEREAS, Public Resources Code Section 33501 created the Coachella Valley Mountains Conservancy for the purpose, among other things, of acquiring and holding, in perpetual open space, mountainous lands surrounding the Coachella Valley and natural community conservation lands, upon approval of a Natural Community Conservation Plan, for the protection of natural and cultural resources and the public's enjoyment thereof; and

WHEREAS, Public Resources Code Section 33601(e) provides that the Conservancy may "in order to further the conservancy's purposes as set forth in Section 33501, award grants to cities, counties, resource conservation districts, or nonprofit organizations...."; and

WHEREAS, the Friends of the Desert Mountains ("Friends") is a nonprofit organization qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, and has as its purpose the acquisition and protection of land in the Coachella Valley area; and

WHEREAS, Assessor's Parcel Numbers 520-020-008, 520-040-006, 520-060-001, and 520-060-014, comprising approximately acres in unincorporated Riverside County in the San Jacinto/San Bernardino Mountains Wildlife Movement Corridor contains important resource values including the corridor values as well as habitat for Le Conte's thrasher and desert tortoise, and is proposed for conservation in the Coachella Valley Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan; and

WHEREAS, it is in furtherance of the Conservancy's purposes as established in Public Resources Code Section 33501 to protect this area; and

WHEREAS, the Friends requests a local assistance grant not to exceed \$660,000.00 to purchase these parcels, including the purchase price and transaction-related costs; and

WHEREAS, this acquisition is exempt from further CEQA review pursuant to sections 15061 (b) (3), 15313, 15316, and 15325 of the Code of Regulations, Title 14;

NOW, THEREFORE, be it resolved in regular session of the Governing Board of the Coachella Valley Mountains Conservancy that the Board approves a local assistance grant not to exceed \$660,000.00 to the Friends to assist with the acquisition; and

BE IT FURTHER resolved, that a condition of the grant is that the Friends shall enter into an Acquisition Grant Agreement with the Conservancy, which shall contain provisions requiring the following:

1. That the Friends will agree to defend, indemnify, and hold harmless the Conservancy and the State of California, its contractors, officers, directors, agents or employees against any and all claims, liability, demands, damages, debts, judgments, costs, or expenses, including reasonable attorney's fees, arising out of or in any way connected to the Grantee's actions, omissions, or other conduct relating in any way to this agreement and the Real Property, including, but not limited to, any such losses, damages, or expenses arising out of (a) loss of or damage to the Real Property, and (b) injury to or death of persons;
2. That the Friends shall execute and record a Notice of Unrecorded Grant Agreement and execute a Memorandum of Understanding with the Conservancy designed to assure that the properties acquired with the grant sum shall be protected, maintained, and managed consistent with the Conservancy's mission as defined in Public Resources Code Section 33501;
3. That the Friends must return all funds not used for the acquisition purpose described above no later than March 31, 2011, unless both parties mutually agree in writing to an extension;
4. That the Friends shall not convey title or any other interest in the properties acquired with the grant sum to any other person or entity without the express written approval of the Conservancy;
5. That upon the sale or conveyance of any interest in the property acquired with the grant sum, the Friends shall reimburse the Conservancy for the full amount of the grant sum unless the funds received from the sale or conveyance are less than the amount of the grant sum, whereupon the Friends shall provide the Conservancy with all funds obtained from the sale or conveyance less costs incurred by the Friends arising from the sale or conveyance;
6. That if the Friends ceases to exist as an organization or if the Friends materially breaches the grant agreement, title to the properties acquired with the grant sum shall automatically be conveyed to the State of California upon approval by the State Public Works Board;
7. That the Friends shall maintain accounting records of how the grant sum was spent for a period of three years and shall make such records available for inspection by the Conservancy or the Department of Finance upon request by either agency;

8. That the Conservancy shall review and approve all documents pertaining to the acquisition of the properties described above, including but not limited to title reports obtained by Friends prior to acquisition of said properties; and
9. That any unused grant funds must be returned to the Coachella Valley Mountains Conservancy, along with any accrued interest, not later than one month after the project completion date. Should interest be earned on the grant funds between their disbursement and expenditure for the purchase of the property, the interest may be applied toward the purchase price. Otherwise, any such interest must be paid to the Coachella Valley Mountains Conservancy. No revenue will be generated by Grantee from the property acquired with the grant funds.

BE IT FURTHER resolved that the Board hereby authorizes its Chairperson, or in his absence the Executive Director, to execute any and all documents necessary to effect the grant.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Coachella Valley Mountains Conservancy Governing Board, held on this 10th day of January 2011, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

, Chairman
Coachella Valley Mountains Conservancy

ATTACHMENT 6 – January 10, 2011

Agenda Item 4.5 Resolution 2011-04 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 259.61 acres in the San Bernardino/Little San Bernardino Mountains Wildlife Movement Corridor area.

BACKGROUND

The wildlife movement corridor linking the San Bernardino and Little San Bernardino Mountains has been identified as one of the 15 most critical corridors in southern California. Protection of this corridor is also a Conservation Objective of the Coachella Valley Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan. This corridor connects the San Gorgonio Wilderness portion of the San Bernardino Mountains west of Highway 62 with the Morongo Canyon Area of Critical Environmental Concern and Joshua Tree National Park in the Little San Bernardino Mountains east of Highway 62. The corridor functions for desert tortoise, desert bighorn sheep, mountain lion, and various other species.

The 259.61 acres proposed for acquisition was previously part of the proposed Palmwood project. Following the collapse of that proposal, the Palmwood property was split among the three major investors in Palmwood. The easternmost property was subsequently purchased by the Coachella Valley Conservation Commission. The remaining property east of Highway 62, approximately 883 acres, is owned by Ron Breckner and is a high priority for conservation, and it is hoped that federal funding will be available through BLM and USFWS in the near future to pursue acquisition of this property. The remaining 259.61 acres is owned by Stearns Bank, which has it listed for sale. The property is partially within the Upper Mission Creek/Big Morongo Canyon Conservation Area. (See attached maps: context and close-up.) Portions of the property were not included in the Conservation Area when the MSHCP was being prepared because of a number of adjacent small acreage parcels with residences in the area. Conversations with Commission staff indicates that the balance of the property could be proposed for inclusion in the Conservation Area after it is acquired. The attached maps show that much of the property that is not within the Conservation Area is mountainous, and the property is within the wildlife movement corridor as identified in the South Coast Wildlands report, *South Coast Missing Linkages Project: A Linkage Design for the San Bernardino – Little San Bernardino Connection*, as shown on the attached map. Conservation values on the property also include habitat for desert tortoise, Coachella Valley Jerusalem cricket, Palm Springs pocket mouse, Le Conte's thrasher, and Little San Bernardino Mountains linanthus, five of the twenty-seven Covered Species in the MSHCP. In addition to the 259.61 acres, there is a 2,100 square foot house on the property, a 2,400 square foot storage barn with 16 foot roll-up doors, and two wells. An initial site inspection shows the structures to be in good condition.

The property was purchased for the Palmwood project in 2005 at a cost of \$2,500,000. When Stearns Bank acquired the property from the Palmwood project proponents through foreclosure in 2009, the foreclosure amount was \$14,094,976 based on the amount Stearns Bank had loaned against the property. Stearns Bank has now entered into a Purchase Agreement with the Friends of the Desert Mountains for \$750,000, reflecting that Stearns Bank is anxious to get this property off its books. One of the terms of the Purchase Agreement, at the Seller's insistence, is that escrow close by February 21, 2011. The Friends' purchase is contingent on an appraisal

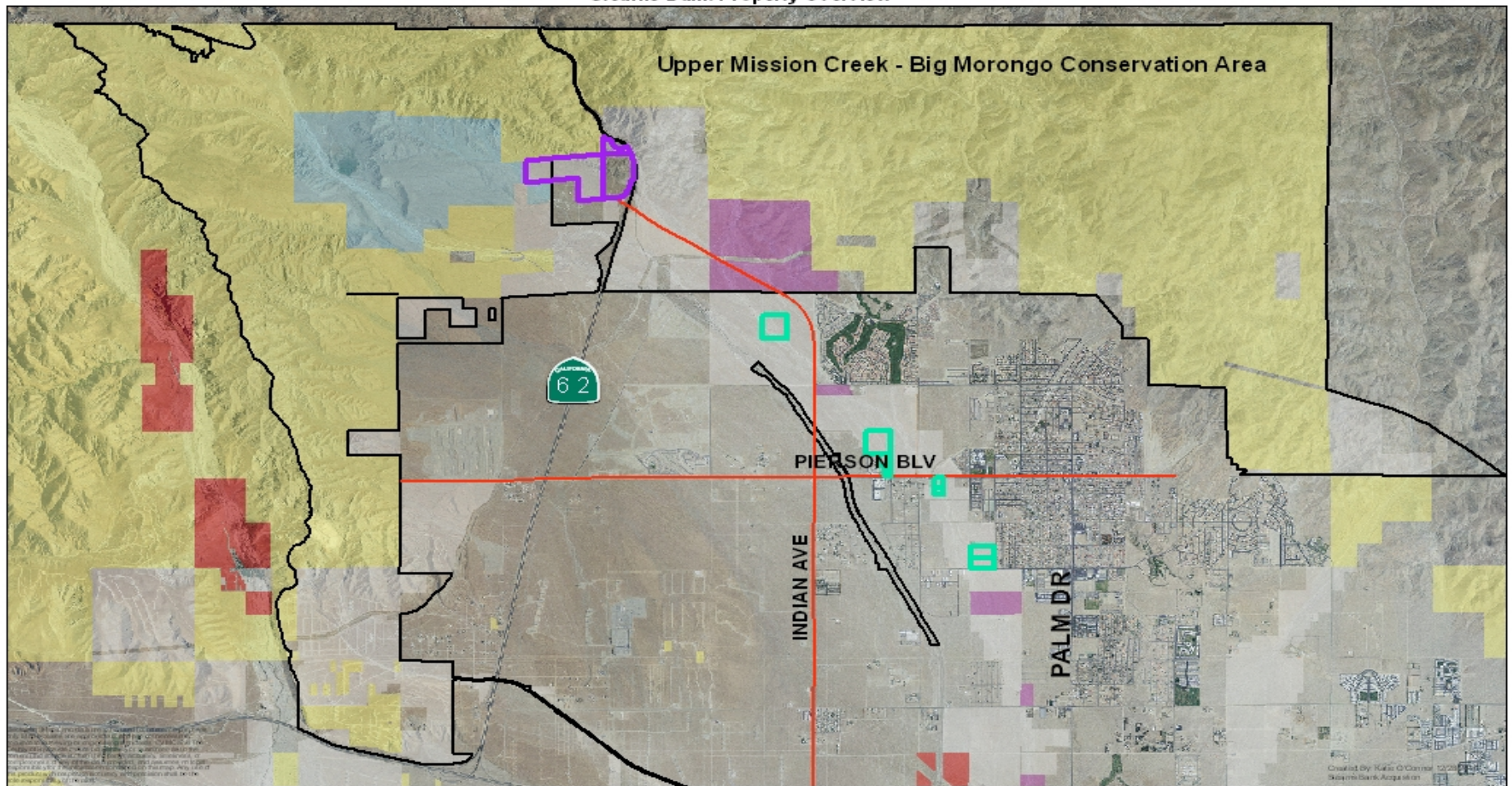
supporting the purchase price and upon the Conservancy's approving a grant for the acquisition. An appraisal is currently in progress. It is staff's intent to obtain independent 3rd party appraisal review as soon as the appraisal is completed.

The proposal for consideration by the Governing Board is to approve a grant for the purchase price and transaction costs, with a contingency that the appraisal substantiates the purchase price and is determined by independent third party review to be meet DGS review standards.

STAFF RECOMMENDATION

Staff recommends approval of the attached Resolution 2011-04.

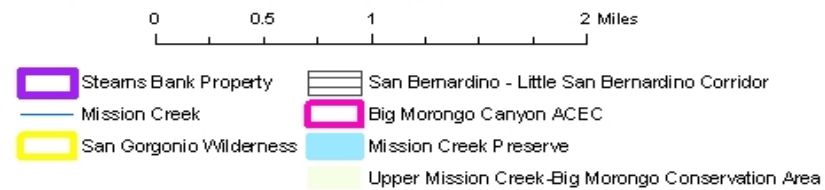
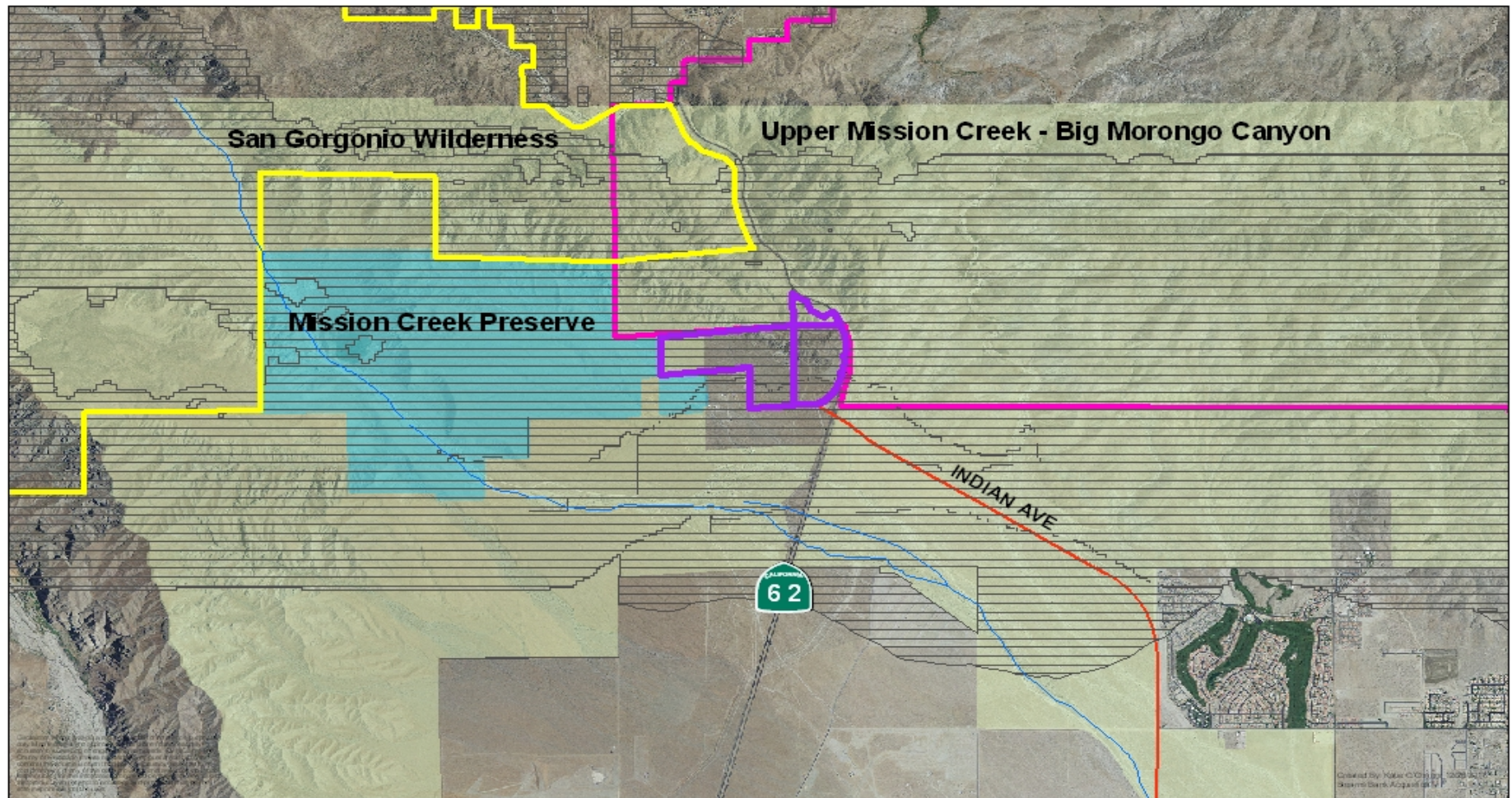
CVMC January 2011 Agenda Item 4.5
Stearns Bank Property Overview



- | | | |
|---|---|--|
| Stearns Bank | Midlands Conservancy | Coachella Valley Mountains Conservancy |
| Pending Upper Mission Creek Acquisitions | Bureau of Land Management | Friends of the Desert Mountains |
| Upper Mission Creek - Big Morongo Conservation Area | Coachella Valley Association of Governments | Private |



CVMC January 2011 Agenda Item 4.5
Stearns Bank Property Overview Map 2



**RESOLUTION 2011-04 OF THE GOVERNING BOARD OF THE
COACHELLA VALLEY MOUNTAINS CONSERVANCY
ADOPTED IN REGULAR SESSION
JANUARY 10, 2011**

**APPROVING A LOCAL ASSISTANCE GRANT TO THE FRIENDS OF THE DESERT
MOUNTAINS FOR THE PURCHASE OF LAND IN THE SAN BERNARDINO/LITTLE
SAN BERNARDINO MOUNTAINS WILDLIFE MOVEMENT CORRIDOR AREA**

WHEREAS, Public Resources Code Section 33501 created the Coachella Valley Mountains Conservancy for the purpose, among other things, of acquiring and holding, in perpetual open space, mountainous lands surrounding the Coachella Valley and natural community conservation lands, upon approval of a Natural Community Conservation Plan, for the protection of natural and cultural resources and the public's enjoyment thereof; and

WHEREAS, Public Resources Code Section 33601(e) provides that the Conservancy may "in order to further the conservancy's purposes as set forth in Section 33501, award grants to cities, counties, resource conservation districts, or nonprofit organizations...."; and

WHEREAS, the Friends of the Desert Mountains ("Friends") is a nonprofit organization qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, and has as its purpose the acquisition and protection of land in the Coachella Valley area; and

WHEREAS, Assessor's Parcel Numbers 671-110-003, 671-120-002, and 671-130-001, comprising approximately 259.61 acres in unincorporated Riverside County in the San Bernardino/Little San Bernardino Mountains Wildlife Movement Corridor contain important resource values including the wildlife corridor and habitat for desert tortoise, Coachella Valley Jerusalem cricket, Palm Springs pocket mouse, Le Conte's thrasher, and Little San Bernardino Mountains linanthus; and

WHEREAS, it is in furtherance of the Conservancy's purposes as established in Public Resources Code Section 33501 to protect this area; and

WHEREAS, the Friends requests a local assistance grant not to exceed \$755,000 to purchase this property, including the purchase price and transaction-related costs; and

WHEREAS, this acquisition is exempt from further CEQA review pursuant to sections 15061 (b) (3), 15313, 15316, and 15325 of the Code of Regulations, Title 14;

NOW, THEREFORE, be it resolved in regular session of the Governing Board of the Coachella Valley Mountains Conservancy that the Board approves a local assistance grant not to exceed \$755,000 to the Friends to assist with the acquisition, contingent upon an appraisal substantiating the purchase price and being determined by independent third party review to be meet DGS review standards.; and

BE IT FURTHER resolved, that a condition of the grant is that the Friends shall enter into an Acquisition Grant Agreement with the Conservancy, which shall contain provisions requiring the following:

1. That the Friends will agree to defend, indemnify, and hold harmless the Conservancy and the State of California, its contractors, officers, directors, agents or employees against any and all claims, liability, demands, damages, debts, judgments, costs, or expenses, including reasonable attorney's fees, arising out of or in any way connected to the Grantee's actions, omissions, or other conduct relating in any way to this agreement and the Real Property, including, but not limited to, any such losses, damages, or expenses arising out of (a) loss of or damage to the Real Property, and (b) injury to or death of persons;
2. That the Friends shall execute and record a Notice of Unrecorded Grant Agreement and execute a Memorandum of Understanding with the Conservancy designed to assure that the properties acquired with the grant sum shall be protected, maintained, and managed consistent with the Conservancy's mission as defined in Public Resources Code Section 33501;
3. That the Friends must return all funds not used for the acquisition purpose described above no later than March 31, 2011, unless both parties mutually agree in writing to an extension;
4. That the Friends shall not convey title or any other interest in the properties acquired with the grant sum to any other person or entity without the express written approval of the Conservancy;
5. That upon the sale or conveyance of any interest in the property acquired with the grant sum, the Friends shall reimburse the Conservancy for the full amount of the grant sum unless the funds received from the sale or conveyance are less than the amount of the grant sum, whereupon the Friends shall provide the Conservancy with all funds obtained from the sale or conveyance less costs incurred by the Friends arising from the sale or conveyance;
6. That if the Friends ceases to exist as an organization or if the Friends materially breaches the grant agreement, title to the properties acquired with the grant sum shall automatically be conveyed to the State of California upon approval by the State Public Works Board;
7. That the Friends shall maintain accounting records of how the grant sum was spent for a period of three years and shall make such records available for inspection by the Conservancy or the Department of Finance upon request by either agency;

8. That the Conservancy shall review and approve all documents pertaining to the acquisition of the properties described above, including but not limited to title reports obtained by Friends prior to acquisition of said properties; and
9. That any unused grant funds must be returned to the Coachella Valley Mountains Conservancy, along with any accrued interest, not later than one month after the project completion date. Should interest be earned on the grant funds between their disbursement and expenditure for the purchase of the property, the interest may be applied toward the purchase price. Otherwise, any such interest must be paid to the Coachella Valley Mountains Conservancy. No revenue will be generated by Grantee from the property acquired with the grant funds.

BE IT FURTHER resolved that the Board hereby authorizes its Chairperson, or in his absence the Executive Director, to execute any and all documents necessary to effect the grant.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Coachella Valley Mountains Conservancy Governing Board, held on this 10th day of January 2011, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

, Chairman
Coachella Valley Mountains Conservancy

ATTACHMENT 7 – January 10, 2011

Agenda Item 5.1 Written Reports from Staff

Because a hiring freeze is currently in effect, the vacancy created by Geary Hund's retirement from state service has not been filled. At this point, we will have to see what direction the new Administration provides regarding filling vacancies.

Conservancy staff has continued to assist the Coachella Valley Conservation Commission with its acquisition program in our capacity as its Acquisitions Manager. One acquisition in the Thousand Palms Conservation Area, several in the Willow Hole Conservation Area, several in the Upper Mission Creek/Big Morongo Canyon Conservation Area, and several land donations will be considered by the Commission at its January meeting. One of these acquisitions would also require approval by the Wildlife Conservation Board at its February meeting to make a subgrant of federal Section 6 Cooperative Endangered Species Conservation Fund money to the Commission for the acquisition. These acquisitions would increase the total of acquisitions by the Commission to more than 1,700 acres with a total value of over \$17,000,000, with funds coming from CVAG transportation mitigation funds, federal Section 6 Cooperative Endangered Species Conservation Fund money, Environmental Enhancement Mitigation grant funds, and land donations and bargain sales.

Pursuant to a contract with the Coachella Valley Conservation Commission, Conservancy staff also continues preparation of Management Plans for the 6 units of the Reserve System established under the CV MSHCP/NCCP.

CVAG's OHV Enforcement Task Force Program is on hiatus until additional funding is received.